



Illustration by Jim Elmore

A Tale of Two Contracts

The Best of Times, the Worst of Times

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Whoa, I did *not* see that coming. When I wrote “My Big Slow Fail” (Jan.-Feb. 2011) I figured I was just telling a story, and not a particularly significant one at that. I thought people might get a chuckle out of the challenges and frustrations involved with awarding a contract. I hoped maybe we’d all learn a little something. I never expected this comedy of errors to trigger an avalanche of e-mails from readers around the world.

Now, it’s not unusual for me to get three or four notes when a new article comes out, but with this one I heard from over 30 people within a few weeks—and the e-mails just kept coming. The list of respondents includes personnel from the Army, Navy, Air Force, Marine Corps, DIA, DAU, DCAA, NATO, and industry. I even heard from a couple of CEOs. The volume, in both senses of the word, was surprisingly high.

Almost every message included the phrase “That exact same thing happened to me.” Many readers shared long, painful stories of their own contracting difficulties, while others wistfully asked if perhaps I’d been secretly following

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them around, documenting *their* experiences. Could it be the story was not autobiographical as it seemed but instead was a thinly veiled recounting of Program X from Organization Y? As fun as that sounds, I must admit the story came from my own experience.

I'd be remiss if I didn't acknowledge some people felt differently. A small number of readers wrote to say the story unequivocally demonstrated my personal and professional incompetence, although one considerably used phrases like "Clearly, program managers need more training."

Thankfully for my delicate ego, sarcastic and critical opinions were a tiny minority among the people who took the time to write to me. Most people offered kind words, which is great, but what really knocked me out was how many said they'd been through identical situations (and actually used the word "identical"). This complimentary chorus of co-sufferers was simultaneously gratifying and depressing. It's nice to have company, but I sure wish these problems weren't so common.

What We Learned

The variety of lessons people took from the article was fascinating. Some people focused on the type of contract and concluded that delays, confusion, and challenges are found only in services acquisitions. My friends working on weapon-system acquisitions beg to differ, but it's an interesting observation. Other readers railed about the negative impact of superficial competition, while still others saw the story as validating the need for documented processes and standard work.

Yes, one or two people wrote to say they thought the moral of the story was, "Dan is not good at his job." Believe it or not, I wasn't the only writer who used the term *idiot* to describe the main character in the story, although nobody else signed their real name to that particular assessment. *C'est la guerre*.

A Balancing Act

Writing a story based on actual events involves a balancing act between the comprehensive and the sufficient. I promise I didn't invent a single fact, but I hope nobody is shocked if I admit to leaving some specifics out.

Given the constraints of time and space, both mine and yours, I limited my literary attentions to the major events, themes, and trends. This means a couple of details went unmentioned. Despite the inevitable omissions, I hope the story contained all the necessary parts: a beginning, middle and end; a cast of colorful characters; and a blend of pathos, mystery, humor, and drama. The only thing missing was a plucky sidekick named Chip.

I made sure not to leave out any inconvenient facts that would have significantly changed the story, but there is a previously unmentioned data point that may be relevant to the next level of analysis. As Inigo Montoya said to the Man In Black in *The Princess Bride's* brilliant swordfighting scene, I know something you don't know. Don't worry; it has nothing to do with being

left-handed. The thing I didn't mention previously and which may augment our analysis of the first story is this: I was actually managing two contracts at the time.

The Rest of the Story

While no two contracts are identical, the two I managed were remarkably alike. Both were with the same type of contractor, both were supported by contracting professionals from the same organization (external to mine), both were active in the same timeframe, and both had the same program manager—me. But unlike the infamous contract in my previous article—let's call it Contract A—the other had zero contracting-related problems. That's right, none, nada, zilch.

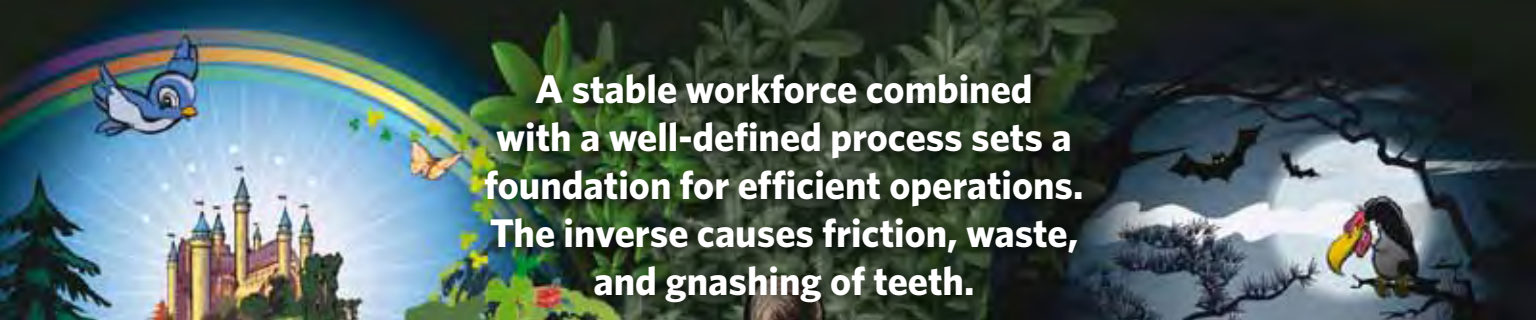
I wouldn't believe it myself if I hadn't seen it with my own eyes, but we completely avoided the Just One More Thing syndrome that was so prevalent on Contract A. We had no rework, no significant delays. What could possibly account for the divergent outcomes? Well, for all the similarities between A and B, there were two major differences.

First, Contract B had no personnel turnover. The contract specialist I worked with on day 1 (let's call him Chip) was still there when I left that job almost 2 years later. Compare that to the downright comical level of personnel turnover on Contract A. I think this fact alone accounts for much of the difference in outcome. However, the contracting officers (COs) weren't formally part of my organization, and I had precious little influence on their comings and goings. Further, I'm told the current deployment tempo for COs means personnel stability is out of *anyone's* hands, so that may not be a particularly imitable lesson.

Hold on. Can we really accept the assertion that there's nothing we can do? Let me suggest we can always do something. Maybe we can't prevent turnover entirely, but surely we can take steps to reduce it. Further, one might wonder how Chip managed to keep working on Contract B for so long. His steady presence is an uncomfortable counterpoint to those who assert turnover is unavoidable.

Chip might be a one-in-a-million exception, but maybe there's a more rational explanation. Maybe something about his work environment made Chip want to stick around instead of running off to join the circus or the French Foreign Legion. Rather than dumb luck, I'm convinced Chip's presence points to his organization's leadership doing something right in a big way. That's important. In an environment where churn is the default, islands of stability aren't accidental. They're the result of someone doing something good.

Unfortunately, space constraints prevent me from fully exploring the hows and wherefores of good personnel management. For now, let me just make two assertions: a) Stability makes a difference, and b) There's something we can do about it. To explore the issue in more depth, download an excellent free report by Carnegie Mellon's Software Engineering Institute,



A stable workforce combined with a well-defined process sets a foundation for efficient operations. The inverse causes friction, waste, and gnashing of teeth.

titled *Success In Acquisition*. Mr. Google can show you where. The section you're looking for starts on page 49.

The Other Difference

I mentioned there were two major differences between the contracts, and now we've come to the second one. Early on, Chip and I sat down and wrote out a detailed process flow, documenting all the steps of all the activities we would undertake for Contract B in the following year. Together, we explicitly stated what I would need from him and what he would need from me. We created a stack of templates (work statements, cost estimates, performance plans, etc.) and agreed on both the content and the format. We then used those templates every time we added a new task order, exercised an option, provided incremental funding or took other contracting actions. It worked flawlessly. If Chip had been replaced at some point, the process and templates we'd established would have given us a fighting chance of minimizing disruption.

As "My Big Slow Fail" showed, I tried multiple times to make similar arrangements on Contract A. Unfortunately, these efforts were met with responses ranging from disinterest to amusement to apathy, depending on which contracting officer was in place at the time. One CO explained with a straight face that each individual has their own personal preferences as to format and content and thus the forms I used on Contract B were not acceptable on Contract A. Once or twice I got close to what we had on Contract B, only to have the rug pulled out from under me as new people came on board or new processes were added.

Stand Back: I'm Going to Try Science

In retrospect, this is as close to a scientific contracting experiment as one guy can do. Without intending to, we'd controlled most of the variables and radically changed two: personnel stability and process. The scientific method tells us divergent outcomes are likely to be caused by *differences* in the initial conditions rather than any of the common elements. So at the risk of turning this story into an after school special, I'd like to suggest that stabilizing the workforce and instituting standard processes are pretty good ideas.

This was not a perfectly rigorous experiment. In all fairness, Contract B was a bit smaller and simpler than Contract A. It didn't involve awarding a new contract, so we did not have to perform all the same activities that were required on Contract A. No doubt the difference in size and scale account for some of the difference in outcome. However, Contract B was busy enough. We had forms, reviews, and various contracting ac-

tions. There were plenty of opportunities for things to go badly. They *never* did. Because it's so much fun to write it, let me repeat: We had no significant delays, zero contracting related problems, and zero rework on Contract B.

I am pretty sure stability plus standards were the main secrets of our success, but let me be the first (and probably not the last) to say I could be wrong. Maybe I'm an idiot after all. If I'd been better at my job, perhaps I could have either established common processes on Contract A or prevailed despite their absence. I won't rule that out. But if that's what happened, my inbox tells me I've got a whole lot of company.

Or maybe Chip is hyper-competent and therefore fully responsible for the completely positive outcome on Contract B. I won't argue with anyone who wants to praise Chip's performance. On more than one occasion, I let his supervisor know I think Chip is a fantastic contract specialist. He undoubtedly deserves buckets of credit for how things went on Contract B. I was thrilled when, shortly before I moved to a new job, he was assigned to work on Contract A as well. I only regret I couldn't take him with me to work on all my future contracts.

A Few Final Remarks

As I said in the previous article, if you reduce a story to a point, you'll miss the story. I still think that's true, and I still believe stories are more valuable than points. Accordingly, I want to once again invite readers to draw their own conclusions. At the same time, I hope it's not out of bounds for me to offer some closing comments.

As an engineer, I'm trained to follow the data and look for solutions. The more I reflect back on these two contracts, the more compelling the data seem, particularly when analyzed in conjunction with the detailed, sometimes gut-wrenching stories I received from readers across the DoD. All indicators point to the idea that a stable workforce combined with a well-defined process sets a foundation for efficient operations. The inverse causes friction, waste, and gnashing of teeth. This isn't a particularly profound or original discovery. In fact, it's very much in line with the Lean philosophy, which has a more impressive pedigree than one guy's perspective.

People much smarter than I am tell me my story is a textbook example of the problems Lean is designed to solve—problems that are common across government and industry. And Dr. Atul Gawande's brilliant new book *The Checklist Manifesto* offers further corroboration of the impact a simple checklist can have. So when I talk about following the data, I'm

looking at a much larger collection than just Contract A and Contract B.

But I'm not just an engineer. I'm also a writer. As a writer, I put words on paper and strive to tell honest stories, whether they're flattering or not. Some people disagreed with my decision to air dirty laundry, and I understand their concern. However, when it comes to dirty laundry I believe it's better to air it than to wear it. Yes, it's a shame things like "My Big Slow Fail" happen. But it's a bigger shame if we pretend this sort of thing never happens. I sincerely hope that by telling this story in a public setting we can come together and work to solve an all-too-common problem.

Although I followed the data like an engineer and put words on paper like a writer, telling this story was primarily an expression of my role as a military officer—a leader. As a leader, I can't deny or dismiss the problems I see. As a leader, I have an obligation to speak up and step up. It's only when we openly acknowledge and discuss our shortcomings that we have any hope of overcoming them.

The story I told could happen anywhere. Based on the feedback I got, it does happen almost everywhere. That means it's not just my story; it's the story of countless teams across the Department of Defense. These problems are neither unique nor rare. I won't say they're ubiquitous; there are plenty of Chips out there, working hard to deliver impressive results like Contract B. But Contract A's story is common enough to be troubling. As a leader, I have a responsibility to do something about that.

Learning to See

One of the key steps in the Lean approach is learning to see. Since nobody can be everywhere and see everything, it is sometimes useful to borrow someone else's eyes. One way to do that is by reading someone else's story. In the reading, we may discover it's our story too. Reading our story expands and sharpens our vision, illuminating things that were previously in shadow and bringing into focus things that were previously obscured.

It turns out the act of telling a story can be just as illuminating for the teller as the hearer. Writing "My Big Slow Fail" helped me see, understand and learn from my own experience. Publishing it was an attempt to share that sight, lending my eyes to a wider community. The broad response it triggered opened my eyes even further, and I'm deeply appreciative of every single person who took the time to write.

I hope this follow-up piece sheds a little more light and helps continue the conversation in a productive direction. I hope it points to solutions that are within our grasp and encourages people to take action. If nothing else, I hope it shows that while the acquisition community faces significant challenges, we don't face them alone.

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